GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1213
ANSWERED ON:24.10.2008
PREVENTION OF MONEY LAUNDERING ACT
Nikhil Kumar Shri

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has found several shortcomings in the Prevention of Money Laundering Act;

(b) if so,the details thereof;

(c) whether the Administrative Reforms Commission has recommended changes in the Prevention of the Money Laundering Act to include terror financing within its ambit; and

(d) if so,the details thereof and action taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI 5.5. PALANIMANICKAM)

(a) & (b) The Government has introduced the Prevention of MoneyLaundering (Amendment) Bill, 2008, in order to strengthen the legal framework on anti-money laundering and combating the financing of terrorism. The Bill seeks to bring certain financial institutions like Full Fledged Money Changers,Money Transfer Service Providers such as Western Union and International Payment Gateways including VISA and Master Card within the reporting regime of the Act.The Bill incorporates provisions to combat financing of terrorism and it introduces a new category of offences which have cross-border implications.

(c) Yes, Sir.

(d) The Prevention of Money-Laundering Amendment Bill,2008,seeks to expand the list of scheduled offences including inter-alia offences under the Unlawful Activities (Prevention) Act, 1967.